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RESOLUTION 94-15

RESOLUTION AUTHORIZING LOAN COMMITMENTS

WHEREAS, the California Housing Finance Agency (the "Agency") staff has reviewed the financial status of the housing developments listed below; and

WHEREAS, mortgage loans were financed by bond proceeds from bonds issued by the Agency between 1985 and 1991, and underwritten under different economic conditions existing at the time; and

WHEREAS, each of the Agency's mortgage loans to each of the developments herein named is in default, due to unanticipated current adverse economic conditions, and is subject to acceleration of the unpaid principal balance; and

WHEREAS, in order to make a prudent and objective determination of the financial condition and the need for refinancing of the developments named herein, the Agency sought and received financial advice from real estate consultants, Kotin, Regan & Mouchly, Inc. ("KRM"), on five of the projects, and from KD Housing Partners on one of the projects; and

WHEREAS, after considering foreclosure as an alternative to providing a new loan at a lower interest rate, the Agency determined that foreclosure was not in the Agency's best interest or the best interest of the bondholders and low- and moderate-income tenants that the Agency serves, and that it would have a potential adverse impact on the affordability restrictions currently imposed on the developments and/or an adverse financial loss to the Agency; and

WHEREAS, the Agency, pursuant to authority given by Board Resolution 93-06, dated March 11, 1993, is authorized to issue refunding bonds for general purposes in connection with the retirement of prior bonds; and

WHEREAS, based upon the analysis and advice provided by KRM and KD Housing Partners, and on the recommendation of staff to the Board of Directors (the "Board") that a new loan for each development be approved, the Board has determined that a new loan commitment be made for each such development.

NOW, THEREFORE, BE IT RESOLVED by the Board:

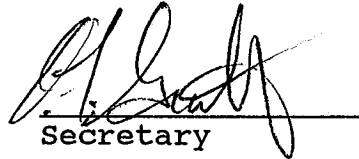
1. The Executive Director, or in his absence, the Chief Deputy Director or Director of Programs of the Agency is hereby authorized to transmit a mortgage loan commitment letter, pursuant to the recommended terms and conditions set forth in the attached CHFA staff report in relation to the multifamily housing developments described as follows:

<u>Number</u>	<u>Development</u>	<u>Locality</u>	<u>Unit</u>
84-002-N	Sheffield Greens	Fairfield/ Solano	132
84-017-N	Cambridge Glen	Davis/Yolo	125
84-026-S	Laurel Court	Pacoima/ Los Angeles	15
87-065-S	Manhattan Place	Los Angeles/ Los Angeles	60

2. The Executive Director, or in his absence, the Chief Deputy Director or Director of Programs has the authority to modify the terms of this loan, provided, however, that all material modifications to this commitment, including changes in mortgage amount, must be submitted to this Board for approval. "Material modifications" as used herein means modifications which, in the discretion of the Executive Director, or in his absence, the Chief Deputy Director or Director of Programs, change the legal, financial or public purpose aspects of this commitment in a substantial way.

I hereby certify that this is a true and correct copy of Resolution 94-15 adopted at a duly constituted meeting of the Board of the Agency held on July 14, 1994 at Millbrae, California.

ATTEST:


Secretary